<u>REMARKS</u>

I. Status Of The Claims

Claims 1-6 are pending in this application. In the Office Action mailed on October 9, 2002 claims 1-6 were rejected under 35 U.S.C. §102(b) as being anticipated by U.S. Patent No. 5,308,932 to Manduley et al. (the "'932 patent). Independent claims 1 and 4 have been amended to more clearly indicate the generation of a cost report pertaining to sorting incoming mail. No new matter has been added.

II. Listing of References

Applicants thank the Examiner for considering the references discussed in the specification of the present application.

III. Rejection Under 35 U.S.C. §102(b)

A. Rejections of Claims 1-6

Claims 1-6 stand rejected as unpatentable over '932 patent. Applicants respectfully traverse this rejection because the '932 patent does not disclose each and every element contained at least in the independent claims of this application (namely, independent claims 1 and 4).

The present invention relates to "A method of calculating sorting costs for an incoming mail sorting apparatus . . ." (claim 1). In particular, independent claim 1 recites the step "calculating incoming sorting costs information . . ." and likewise independent claim 4 recites the step "calculating the incoming sorting cost for each mailpiece".

Regarding the applied reference, the '932 patent, it does not disclose, or even teach or sugget of such a step. Simply put, this is because the '932 patent is only concerned with verifying that the correct amount of postage has been applied on mail pieces being processed in a mail processing and delivery system. For instance, the '932 patent explicitly states that "[t]he proper postage rate for a given mailpiece is then computed using the data elements thus obtained.

... See column 6, lines 1 and 2 of the '932 patent. Thus, it is submitted that the '932 patent does not disclose, or even teach or suggest for that matter, the step of "calculating the incoming sorting cost for each mailpiece" as does independent claims 1 and 4 of the present invention.

Therefore it is respectfully submitted that because all the dependent claims of this application (through their dependency to either claim 1 or 4) include this same features of claims 1 and 4, they are allowable likewise patentable over the '932 patent the same reasons giving above.

IV. Conclusion

In view of the foregoing amendments and remarks, it is respectfully submitted that pending claims 1-6 are now in a condition for allowance and favorable action thereon is requested. If the Examiner should have any questions, he is kindly urged to contact the undersigned attorney.

Respectfully submitted,

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APPENDIX A

Revisions With Changes Marked

In the claims

Please amend claims 1

- 1. (Amended) A method of calculating sorting costs for an incoming mail sorting apparatus having a database of addressees for use in sorting incoming mailpieces comprising the steps of:
- a) collecting information about each one of a plurality of mailpieces sorted using the incoming mail sorting apparatus, the information used to determine a type of mailpiece for each one of the plurality of mailpieces;
 - b) determining the type of mailpiece using the information collected in step a);
- c) associating the information about each one of the plurality of mailpieces sorted using the incoming mail sorting apparatus with addressee information from the database of addressees;
- d) storing a piece count for each one of the plurality of mailpieces sorted using the incoming mail sorting apparatus, the piece count stored in association with corresponding addressee information from the database of addressees in the incoming mail sorting apparatus; and
- e) calculating <u>incoming sorting</u> cost information using the piece count stored in association with the corresponding addressee and a predetermined unit price for each type of mailpiece.
- 4. A method of calculating sorting costs for an incoming mail sorting apparatus comprising the steps of:
- a) providing a data file for storage of addressee information and correlated mailpiece information, the information comprising a piece count for each type of mailpiece;

- b) reading addressee information from a mailpiece using an incoming mail sorting apparatus;
- c) correlating addressee information read from the mailpiece with addressee information data stored in the incoming mail sorting apparatus;
- d) obtaining mailpiece information regarding the mailpiece size in order to determine the mailpiece type;
 - e) determining the type of mailpiece using the information regarding mailpiece size;
 - f) storing the data file in the incoming mail sorting apparatus;
 - g) incrementing the piece count for the type of mailpiece determined in step e); and
- h) calculating the <u>incoming</u> sorting cost for each mailpiece using a predetermined unit price for each type of mailpiece and the piece count for type of mailpiece.